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ARIZONA CORPORATION COMMISSION

September 20, 2004

Chairman Marc Spitzer
Commissioner William Mundell
Commissioner Mike Gleason
Commissioner Kristin Mayes

Re: Avis Read v. Arizona Public Service Company, Docket No. E-01345A-04-0657

Dear Colleagues:

I share the same concerns as Commissioners Mundell and Mayes regarding the meter reading and bill estimation practices of APS. Ms. Read's allegations against APS are serious and should be investigated.

As I see it, meter reading and billing estimation procedures can be key components in forecasting revenues for APS. As a result, this issue appears to be related to the APS rate case application, as the Commission fulfills its constitutional responsibility of determining the utility's revenue requirement.

I concur with Commissioner Mundell that this matter should be considered before we decide the outcome of the pending APS rate case. In my opinion, resolution could occur in the Process Standardization Working Group, a separate proceeding regarding the referenced complaint against APS or within the context of the actual APS rate case.

I would also request that Lyn Farmer, Chief Administrative Law Judge, address this issue during the next scheduled procedural conference on the APS rate case.

Respectfully,

A handwritten signature in black ink, appearing to read "Jeff Hatch-Miller".

Jeff Hatch-Miller
Commissioner

Cc: Brian C. McNeil
Ernest Johnson